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Held at Headquarters, New York, on Tuesday, 5 October 2004, at 10 a.m.

Chairman: Mr. Balarezo ..... (Peru)

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The meeting was called to order at 12.20 p.m.

General debate

1. **Mr. Raju** (India) said that, given the persistence of serious imbalances in the global economy, the implementation of commitments made at Monterrey, as well as of new and additional commitments, was essential if the developing countries were to achieve the agreed development goals. His delegation noted with satisfaction that the Committee would consider options for new and innovative sources of financing under the agenda item on follow-up to the International Conference on Financing for Development. It was important, however, to ensure that new financial mechanisms would not impose additional conditionalities on the developing countries.

2. The framework agreement reached at the negotiations in the World Trade Organization (WTO) in early August was an important intermediate step. A systematic effort and demonstration of considerable political will were essential to deliver the Doha agenda to meet the development benchmarks set.

3. Environmental protection remained a major challenge for developing countries. One of the major constraints faced by the developing countries in the implementation of the Johannesburg Plan of Implementation was the availability of environmentally sound technologies. Innovative approaches, such as placing intellectual property rights for critical pharmaceuticals in the public domain, should be considered in connection with the implementation of the Johannesburg Plan instead of focusing on process-centred debates on institutional framework.

4. The Indian delegation welcomed the preparations currently under way for a comprehensive review of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States to be conducted in Mauritius in January 2005. India had been participating actively in the preparatory process and was committed to making a constructive contribution to those deliberations.

5. The wide-ranging reform of the international trade, monetary and financial institutions proposed in the report of the World Commission on the Social Dimension of Globalization would have a beneficial impact on the developing countries and help restore the effectiveness and authority of the General Assembly in the areas of trade, money and finance. The comprehensive review of the implementation of the Millennium Declaration to be undertaken in 2005 would be successful to the extent that it contributed to the efforts of developing countries to achieve the Millennium Development Goals. His delegation hoped that Member States would forge agreements on issues relating to trade, money and finance, transfer of technology and institutional reforms.

6. His delegation looked forward to the work of the Second Committee on its triennial comprehensive policy review of operational activities for development of the United Nations system.

7. India shared the sense of urgency displayed recently by many world leaders in calling for early collective action to alleviate extreme poverty and hunger. The deliberations of the Second Committee should identify areas of cooperative action and ways to move forward in implementing them. It looked forward to working with other delegations in addressing those challenges in the pursuit of the development agenda.

8. **Mr. Sutoyo** (Indonesia), speaking on behalf of the member countries of the Association of South-East Asian Nations (ASEAN), said that the developing countries had made efforts to integrate the Millennium Development Goals into their national development strategies, including through poverty reduction strategies. The enhancement of global partnerships and the fulfilment of international commitments were vital in order to ensure that the extreme poor received the benefits to which they were entitled, including through job creation and improvement of the quality of employment. The five-year review of implementation of the Millennium Development Goals to be undertaken in 2005 would provide an opportunity to develop innovative approaches and collaborative mechanisms to accelerate the achievement of the goals and objectives of major United Nations conferences and to develop synergy between them and the Millennium Development Goals. The event should focus on the implementation of prior commitments rather than on a comprehensive document of a declaratory nature.

9. The South-East Asian region was on track in poverty reduction and was making some progress in reversing the spread of infectious and deadly diseases. It was also taking measures to ensure environmental sustainability. ASEAN was strengthening its relations

with dialogue partners, enhancing its commitment to achieve the Millennium Development Goals and working on a number of political, economic and sociocultural initiatives. Priority was being given to rural development and poverty eradication and to meeting the challenges of globalization, trade liberalization, regional economic integration and sustainable development.

10. At the ninth ASEAN Summit, held in Indonesia in 2003, the leaders of member countries had agreed to develop an ASEAN Community by the year 2020. The ASEAN Community would have three pillars: the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community. The ASEAN Economic Community was striving to become a single market and production base, with the aim of achieving regional integration. The agreement establishing the ASEAN Economic Community would be signed by the ministers of economic affairs at the tenth ASEAN Summit, to be held in Vientiane in November 2004. They would also sign the Vientiane Action Programme; that successor to the Hanoi Plan of Action focused on narrowing the development gap among ASEAN member countries. The ASEAN Socio-Cultural Community would intensify cooperation on social issues and promote the active involvement of all sectors of society.

11. With regard to the issues on the agenda of the Second Committee, he stressed the importance of information and communication technologies (ICT); trade, financing and development; and sustainable development. In particular, ICT played a key role in facilitating economic integration in the ASEAN region, which was taking action to address the challenges of the digital divide within the region and enhance its overall competitiveness.

12. ASEAN viewed trade liberalization as an important vehicle for development. Work was proceeding on creation of the ASEAN Free Trade Area as a step towards realizing the Asian Economic Community. The international economic and trading systems should be further enhanced to complement the region's efforts to open up trade and investment opportunities in the region. In particular, ASEAN called for improved market access for developing countries' exports, the elimination of trade-distorting subsidies and of barriers to trade for agricultural products, and special and differential treatment for developing countries.

13. Turning to the matter of protection of the environment and sustainable development, he pointed out that ASEAN had had a vision for efforts in that area since 1972. The ministers of environmental affairs had agreed on 10 priority areas of cooperation that were in line with the Johannesburg Plan of Implementation. They also attached great importance to the principles, strategies and action plans for sustainable development contained in the Rio Declaration and Agenda 21. It was imperative that the commitments made in regard to financial assistance, technology transfer and capacity-building should be fully realized.

14. **Mr. Al-Jabri** (Saudi Arabia) said that economic cooperation was essential to the preservation of peace and security and the achievement of the Millennium Development Goals. His delegation welcomed the recent World Leaders' Meeting on Action Against Hunger and Poverty chaired by the President of Brazil as one of the main elements of efforts to implement the Millennium Declaration. The resources for that initiative should come from the donor countries' commitment to provide 0.7 per cent of their GNP as assistance to the developing countries.

15. With reference to the impact of the rise of oil prices on the world economy, it was important to take into account the real causes of that rise. It was not just a matter of supply and demand, although the Organization of the Petroleum Exporting Countries (OPEC) was addressing that issue in an effort to maintain balance in oil prices for the benefit of the international community. There were factors over which the exporting countries had no control, including speculation on the international market. The taxes imposed on oil imports by industrialized countries also had an impact on prices. Political conflicts in the Middle East and other regions greatly affected oil prices on international markets. Therefore, it was not fair to hold the oil-exporting countries accountable for rising prices.

16. Countries must honour their commitments with regard to economic and social development. Even though Saudi Arabia was a developing country, it had provided more than 4 per cent of its GNP over the last 20 years as official development assistance to developing and least developed countries. It had contributed its full assessment to the Heavily Indebted Poor Countries (HIPC) Trust Fund. Sustainable development could best be achieved through efforts in

the cultural, environmental and economic spheres. Globalization should not be confined to opening markets; it was also important to provide opportunities for better living standards for everyone, including through the elimination of poverty, illiteracy and disease. Globalization implied a balance between the traditional and the modern. Because of its impact on the economies and the social fibre of many countries, it also entailed challenges and risks. The international community should take steps to strengthen the international financial institutions so as to enable them to address crises as they arose, with due regard for the special characteristics of the countries concerned.

17. On the question of international trade, he said that steps should be taken to enable developing countries to accede to WTO on fair terms. It was also important to open markets and eliminate taxes on exports of developing countries. Promotion of South-South cooperation was one of the key factors in the achievement of the Millennium Development Goals and should be a key goal of the countries belonging to the Group of 77 and China.

18. **Mr. Mra** (Myanmar) said that volatile oil prices and the upsurge in terrorism had triggered a slowdown in global economic growth in the second quarter of 2004. Unless effective and timely international support measures were taken to supplement the inadequate domestic financing efforts, it would be difficult to achieve the Millennium Development Goals. He accordingly welcomed the initiative of Brazil, Chile, France and Spain together with the Secretary-General to focus on action against hunger and poverty and supported any other initiatives aimed at alleviating the misery of the world's poor.

19. Myanmar was encouraged by the "July package" of framework agreements adopted on 1 August 2004 by the General Council of WTO to push forward multilateral trade negotiations in agriculture, non-agricultural market access, development, trade facilitation and services. Developing countries needed a trading system that would not only promote trade but also support their development efforts.

20. The Bretton Woods institutions should celebrate the sixtieth anniversary of their establishment by reassessing their activities in order to meet the needs of the global economy in the twenty-first century. South-South cooperation was an important tool for development. In that context, regional and subregional cooperation agreements were needed to accelerate economic growth, promote trade and achieve sustainable development in developing countries. For instance, in November 2003, Cambodia, Laos, Myanmar and Thailand had adopted the Bagan Declaration to increase competitiveness and expand growth along the borders of the four countries; facilitate the relocation of agricultural and manufacturing plants to areas with competitive advantage; create jobs; reduce disparities; and enhance peace, stability and shared prosperity under the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), which would complement the measures taken by the ASEAN Economic Community under Bali Concord II. ASEAN would establish a free trade zone by 2008, while the economic cooperation group comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand (BIMSTEC), currently the Bay of Bengal Initiative for Multi-Sectoral Technical Economic Cooperation, had adopted a Framework Agreement for a Free Trade Area by 2011.

21. **Mr. Baali** (Algeria) said that the initiative against hunger and poverty as well as the debate on the social dimension of globalization underscored the international community's determination to once again make development one of its top priority concerns. The focus on the problem of development in general and poverty alleviation in particular and the expressed desire to make progress in that regard should be followed by concrete action. Given the interdependence between development and international peace and security, there was a need to refocus development efforts through North-South partnerships. Globalization had given rise to uncertainties and multilateral dialogue was needed to convert it into a beneficial force for all.

22. The goals laid down in the Millennium Declaration and the commitments made at various international conferences had provided a global framework for common action to meet the development challenge. The considerable financial, human and technical resources needed to effectively implement those agreements and commitments called for enhanced coordination and coherence at all levels. However, development in the South and its integration into the world economy could not be achieved under the current unfair and inequitable rules governing international economic relations. Nor could the New

Partnership for Africa's Development (NEPAD) succeed without the active and consistent support of the international community. Developing countries needed increased ODA, debt relief, access to developed country markets for their goods, development assistance and reform of the international financial architecture in order to ensure greater transparency and give them a greater voice in decision-making.

23. While United Nations development activities in the countries of the South, especially in Africa, were laudable and worthy of support, it was essential that the universality, neutrality and objectivity of such activities should be maintained. The various United Nations bodies should constantly strive to strengthen coordination and harmonize their methods of work in order to enhance efficiency.

24. The environment was a vital component of sustainable development. Increased environmental degradation threatened the future of the planet, while the unregulated exploitation of natural resources and the adverse, often tragic consequences of climate change, gave cause for serious concern. In that regard, the recent hurricanes and typhoons that had devastated several countries forcefully underscored the gravity of the situation and the urgent need for collective action. To that end, his country had ratified the Kyoto Protocol in April 2004. The proclamation by the United Nations of 2006 as the year of deserts and desertification would highlight sustainable development and the need for environmental protection. It would make the international community more aware of the need to accord greater attention to the implementation of the United Nations Convention on Desertification.

25. **Ms. Ong** (Singapore) said that, since globalization was unstoppable, and it was in everyone's interest to maximize its opportunities and minimize its risks and costs. Opting out of the global market was not a solution. According to the World Commission on the Social Dimension of Globalization, many of the current problems were not due to globalization per se, but to deficiencies in its governance. The key challenge lay in helping developing countries to build the capabilities that would enable them to better harness the energy of globalization. The social dislocations created by globalization should not be lightly dismissed as the unavoidable consequences of change. The international community urgently needed a new framework to sustain a global consensus on open markets and moderate its worst excesses. In that regard, multilateral forums such as the United Nations and WTO could play a crucial role in helping to create a global framework of partnership for managing the downside of globalization. However imperfect, those institutions represented the best hope for a world in which all countries could participate democratically to formulate rules which bound them all equally.

26. Despite the breakthrough achieved on 1 August 2004 with the adoption of the "July package", the upcoming WTO Doha Round faced many difficult issues. Indeed, the challenge was to overcome polarization as negotiations went forward. The Doha Round would not succeed if WTO members took an inflexible approach, especially on agriculture. The hundreds of billions of dollars in agricultural subsidies spent by developed countries every year made it difficult for developing countries to compete on a level playing field. Developed countries could set an example by opening their own markets to products from developing countries. As trade barriers were removed, developing countries must receive the special and differentiated treatment they needed to develop their infrastructure and capacities.

27. For their part, developing countries must adopt a pragmatic approach if the Round was to succeed. Over 40 per cent of developing country exports, including basic commodities and manufactured goods, went to other developing countries, and such trade was increasing by 11 per cent a year. If developing countries agreed to reduce tariffs applied to each other by 50 per cent, they would generate an additional $15.5 billion in trade.

28. If the Doha Development Round dragged on without any tangible sign of progress, countries would start to make alternative arrangements, which could lead to the formation of divisive trading blocs and self-defeating protectionism. While the main losers would be developing countries, it would not only be the poor and small countries which would suffer. If the sense of injustice and unfairness became too great, the problems of the third world would become those of the first. Economic globalization had also globalized the problems of poverty, terrorism and disease.

The meeting rose at 1.15 p.m.